



**INDIAN OIL CORPORATION LIMITED  
CORPORATE OFFICE – HR DEPARTMENT**

**Sadiq Nagar, J.B. Tito Marg,  
New Delhi-110049**

**Statement of Director (Human Resource) of Indian Oil Corporation Limited  
pledging continued support to Global Compact Program of United Nations**

As a conscientious and responsible global Corporate Citizen, IndianOil is aware of its responsibility towards the rights of the current as well as future generations for a just and equitable life. Our present business practices as well as the vision are accordingly synergized with sustainability initiatives. We take pride in the fact that our corporate strategies are aligned with the national priorities and envision a greater societal role in future to accomplish the cherished goal of a truly developed India, where all sections of citizens live with dignity.

Indian Oil Corporation Limited renews its commitment to the Global Compact Program of the United Nations and will endeavor to abide by all its ten principles through its policies, processes, products, services and people.

  
**(P. K. Goyal)**  
**Director (F & HR)**



# Inclusive Offerings

## Sustainability Report 2010-11



IndianOil





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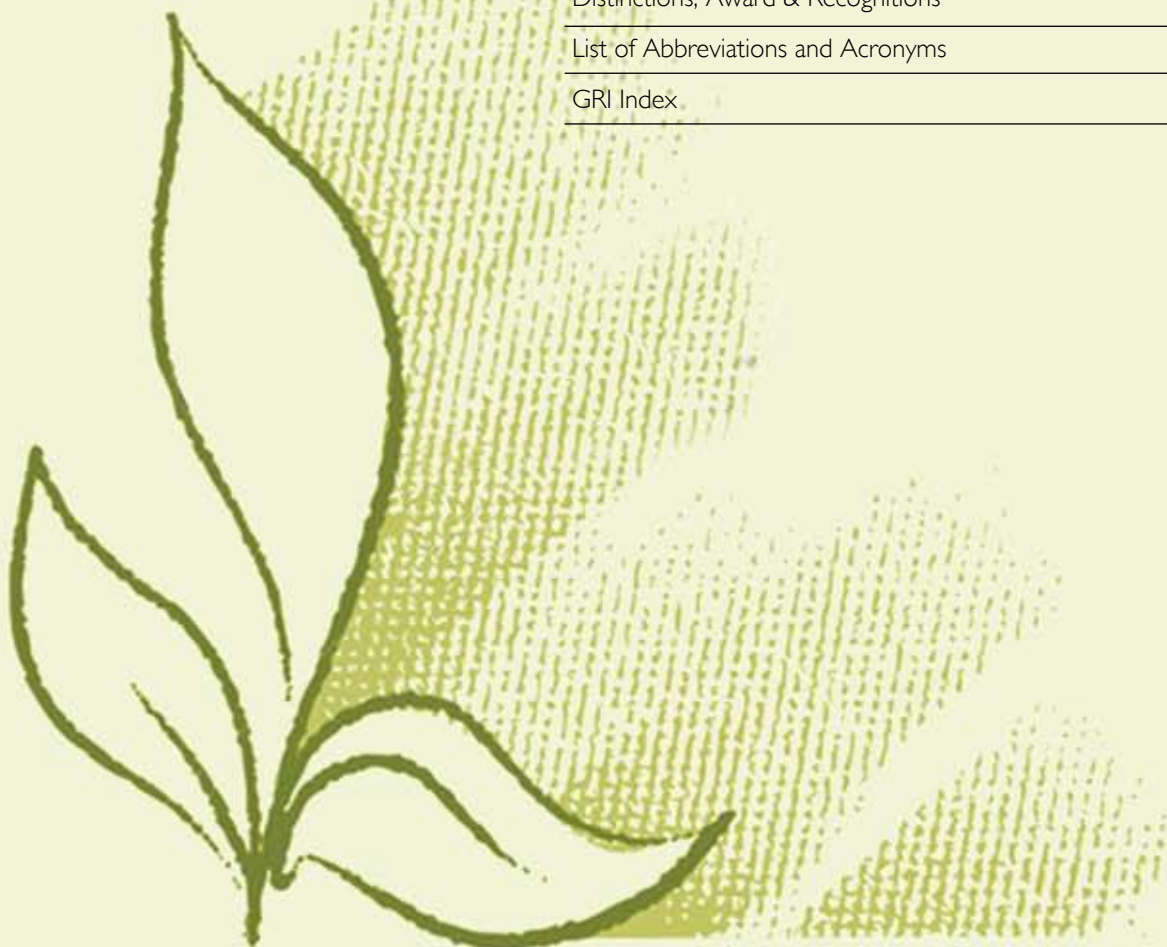
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# Scope & Profile

## Sustainability Reporting

**W**e present, **Inclusive Offerings**, IndianOil's Sustainability Report for the year 2010-11. The sixth edition of our Sustainability Report, it covers economic, environmental and social aspects of our business performance for the period 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011. This is prepared in accordance with Level A of the Global Reporting Initiative (GRI), 2006 and Sustainability Reporting GRI-G3 Guidelines.

IndianOil, the largest commercial organisation of India, carries out business through its Refineries, Pipelines, Marketing, R&D Division, Planning & Business Development besides the group. In this report, information on the Economic, Environmental and Social aspects of our business and other performance determinants like labour practices, human rights, corporate governance, product responsibilities etc. are delineated in respective sections. However, the performance reporting of our subsidiaries and Joint Venture companies have been excluded. As the Government of India holds a major share (78.92%) in IndianOil, the administrative control of our company vests with and, its various policy decisions are the foremost principles of our corporate governance in implementing and achieving social, economic and environmental performances of our business.

**Inclusive Offerings** is a result of our in-house reporting system and therefore, the Management provides a mandatory assurance over the materiality of the information and data which is reproduced in this report from our database maintained at respective units.

### Report Application Levels

G3 disclosure level	C	C+	B	B+	A	A+
Profile		Report		Report	✓	Report
Management Approach		externally		externally	✓	externally
Performance Indicators		Assured		Assured	✓	Assured

## A word from our Chairman

To our Stakeholders,

It is my pleasure to introduce **Inclusive Offerings**, IndianOil's Sustainability Report 2010-11. This year's report continues to demonstrate the substantial progress made in implementing IndianOil's sustainability and growth strategy; in continuing our progress in environmental governance and performance as well as advancing our constructive engagement with the communities and customers that we serve.

The world economic environment poses several challenges to providing energy security to the energy deficient developing countries like India that are working relentlessly to uplift the living standard of its people. Given this background and coupled with our corporate vision to be the Energy of India, it is incumbent upon us to continue to meet the fuel needs of the country. We have performed well on this expectation and are determined to serve the nation in meeting our responsibilities with added vigour.

Our community of stakeholders includes not just those who buy our products, but all those individuals, groups and institutions for whom our performance is important, and whose opinions and activities are important to us in turn.

Our ability to deliver growth comes from the strength and commitment of our stakeholders. It is this conviction of our stakeholders in our culture of commitment that provides us indomitable strength to achieve growth through sustainable development.

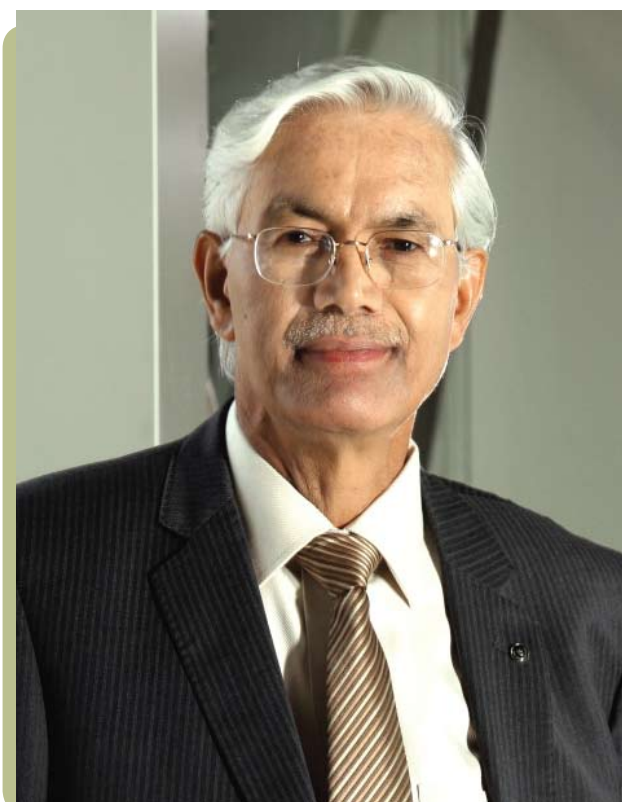
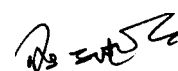
We are committed to deliver futuristic energy solutions to the nation, and to realise these aspirations, we must choose to live with a sense of global responsibility, identifying ourselves together with our local communities. Sustainable measures taken today will become tomorrow's treasures for the lives of the community in which we live, and that will only propel our organisation to superior profitability.

Due to the intrinsic inflammable nature of petroleum products, the hydrocarbon industry has to continuously invest its efforts in developing and achieving a safe culture. This calls for the best in class technologies and best in class operating practices. Above all, the commitment of each IOCIan to this culture of safe and secure operations is most important every time we enter our work centres. I tend to believe that this commitment of each IOCIan, coupled with our technical expertise and robust safety culture will overcome all safety-related challenges.

Parallel to this, in 2010, we have put in place a new group - *Renewable Energy & Sustainable Development (RE&SD)* to fast track our ambitious plans to achieve environmental sustainability goals. The emphasis on renewable energy and sustainable development reflects the deep desire within the organisation to make real and measurable progress in improving the environment footprint for a better tomorrow.

Green auto fuels, energy efficient technologies, shifting equilibrium of market dynamics towards rural communities, etc. besides tapping alternative energy sources are some of the steps that have already been in progress in the Corporation. **Inclusive Offerings: Sustainability Report 2010-11** vividly illustrates significant milestones in our journey to secure inclusive growth.

We welcome you to continue this dialogue with us by offering your comments, suggestions and questions. Please send your thoughts at [sustainability@iocl.co.in](mailto:sustainability@iocl.co.in)

(R. S. Butola)  
Chairman, IndianOil



## Our Vision with Values



# Materiality Reporting - Key Issues

Risks & Opportunities	Our Initiatives
<p><b>Product pricing</b> : Debilitating continuance of under recovery on sale of and viz. diesel, known impacts profitability of the Company.</p> <p><b>Supply shocks - Raw material availability from overseas and indigenous sources</b> : India continues to import more than 75% of its crude requirements. Disruption attributable to suppliers viability, Crude Oil quality, Geo-political incidents impacting crude oil availability.</p> <p><b>Supply Shocks - Finished product availability at storage &amp; retail points.</b> Disruption of road, rail and pipeline transportation links due to natural calamities, and emergencies adversely affects supply &amp; distribution of finished products.</p> <p><b>Greening of product supply chains - Environmental obligations</b> Achieving and demonstrating sound environmental performance by controlling the impact of our activities, products and services on the environment in the context of increasingly stringent legislation on carbon emission, water consumption, waste management and Renewable Energy Purchase Obligation(RPO) etc.</p> <p><b>Integrated approach for resource conservation and Energy efficient activities &amp; services</b> : Sustained reduction in carbon emission through energy efficiency will be a key element of our business. Our services would have to be an efficient user of natural resources to remain competitive.</p> <p><b>Technological innovation for alternate energy sources and sustainable business practices.</b> Sustainable business practices will become one of the key performance indicators of our business.</p> <p><b>Volatile international crude price/ Lower return of capital employed on investments/ escalated debt levels.</b></p> <p><b>Forex fluctuation:</b> Unstable capital flow is an offshoot of the current global economy and wide ranged forex fluctuations adversely impact all such transactions.</p>	<p>IndianOil, jointly with OMCs is constantly engaging the Government of India for timely compensation of under recoveries.</p> <p>Channelize alternate overseas crude supply points through appropriate business models. Acquire versatile crude processing capabilities.</p> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>To outreach global fuel centres and secure E&amp;P assets, expeditiously.</li> <li>To convert domestic E&amp;P potential into tap off points.</li> </ul> <p>Pre-monsoon and pre-winter stocking of petroleum products at designated storage points located in difficult hilly terrain areas ensures product availability in the areas which experience isolation through seasonal disruptions in transportation links. We have a Transport Emergency Management Plan to effectively handle such supply crisis situations.</p> <p>From the base year 2009-10, the environmental mapping exercise i.e. carbon, waste and water footprinting of our refineries, storage points, other units has become an on-going process. The Renewable Energy &amp; Sustainable Development group with its nodal points in each Division is providing a pivotal role in addressing the issues arising from the environmental aspects of our business so as to achieve environmental objectives and sustainable development. Our refineries have initiated action to meet ISO:14064 standards.</p> <p>Energy conservation initiatives continue to deliver remarkable results. The energy Index in terms of MBN has been further reduced from 62 of last year to 59 during 2010-11 against the Industry's index reduction from 69 of last year to 66 during 2010-11.</p> <p>Water conservation and the concept of rain water harvesting is gaining considerable attention. In refineries about 81% of treated effluents were reused during 2010-11 against 77% during previous year.</p> <p>124 rain water harvesting facilities installed at various units.</p> <p>Waste-reduction measures are in place. Disposal of wastes is carried out as per PCB guidelines. Oily wastes are bio-remediated or sold for reprocessing to agencies approved by the State Pollution Control Boards. Spent catalysts are responsibly disposed to authorized agencies.</p> <p>We have ambitious plans for setting up projects for tapping solar, wind, and nuclear energy. Our R&amp;D activities are focussed at developing environment friendly products and services. IndianOil has initiated action for solarisation of ROs, on grid and off grid solar &amp; wind power projects. Bio-fuels, bio-remediation of wastes are among the other major thrust areas which are delivering encouraging results.</p> <p>Efforts are in place to further optimize the crude basket, minimize inventories, pursue higher value products and cost reductions.</p> <p>The corporation has been using various cushioning strategies to limit the adversities of forex fluctuations.</p>





## *IndianOil* - the Energy of India

IndianOil is India's largest commercial Organisation. It is highest ranked Indian company in the latest *Fortune* 'Global 500' listings, ranked at 98<sup>th</sup> position, this year. IndianOil's vision is driven by a group of dynamic leaders who have made it a name to reckon with. With over 34,000 strong work force, a Maharatna Company, IndianOil has been helping to meet India's energy demands and reaching petroleum products to every part of India for over five decades. Since inception as Indian Oil Company Limited on 30<sup>th</sup> June 1959, we have grown exponentially and upon merger of Indian Refineries Ltd, it was renamed Indian Oil Corporation Limited, on 1<sup>st</sup> September 1964. Rising from the status of merely a petroleum marketing company in the year 1959, today business interests of IndianOil has outreached global energy points towards fulfilment of our vision to be the Energy of India.

The increasing energy requirements together with a slow increase in domestic crude production is leading to higher import bill as the country's oil imports is more than

75 percent of total oil consumption. It is estimated that coal import which was negligible in the past is also likely to touch around 30% of the total coal requirement in the next few years. The competition for acquiring energy resources is intensified globally. It is causing a serious concern as the Indian economy will require to intermingle with an ever expanding global fuel market. We are determined to achieve the growth path in an environmentally responsible manner in line with national target to cut the emissions intensity of GDP by 20-25% by 2020 compared to the 2005 level.

Our operations spans from refining, transportation of Crude, fuels through cross country pipelines, marketing of petroleum products, natural gas and petrochemicals, exploration and production of crude and gas. These operations are carried out through our strategically integrated Divisions—Refineries Division, Pipelines Division, Marketing Division, Planning & Business Development and R&D Centre. In addition, we are deriving group synergy through merger of Chennai Petroleum Corporation Ltd.



(CPCL), Bongaigaon Refinery & Petrochemicals Ltd. (BRPL), IBP Co. Limited, through our three overseas subsidiaries – Lanka IOC Ltd. in Sri Lanka, IndianOil (Mauritius) Ltd. in Mauritius and IOC Middle East FZE in the United Arab Emirates and eight joint ventures with Indian and overseas partners, we secure strategically advantageous position in our efforts to garner accelerated growth as reflected by our physical performance. IndianOil and its subsidiary (CPCL) account for over 48% petroleum products market share, 34.8% national refining capacity and 71% downstream sector pipelines capacity in India.

The IndianOil Group of companies owns and operates 10 of India's 21 refineries with a combined refining capacity of 65.7 million metric tonnes per annum (MMTPA, i.e. 1.30 million barrels per day approx.). IndianOil's cross-country network of crude oil and product pipelines, spanning 10,899 km with a capacity of 75.26 MMTPA, is the largest in the country. With a throughput of 68.5 million tonnes, it meets the vital energy needs of the consumers in an efficient, economical and environment-friendly manner.

It has a portfolio of powerful and most-preferred energy brands that includes Indane LPGas, SERVO lubricants, XtraPremium petrol, XtraMile diesel, etc. Validating the trust of 56.8 million households, Indane has earned the coveted status of 'Superbrand' along with SERVO, our lubricant brand.

IndianOil's ISO-9002 certified Aviation Service commands an enviable 63% market share in aviation fuel business, successfully servicing the demands of domestic and international flag carriers, private airlines and the Indian Defence Services. The Corporation also enjoys a 65% share of the bulk consumer, industrial, agricultural and marine sectors.

As a leading energy corporate in a rapidly growing emerging economy, challenges & opportunities are plentiful for the Corporation. With domestic demand projected to grow at a higher rate over the long term, the Corporation has laid out strategic plans to meet the future demand for petroleum products in India. The biggest opportunity is on the infrastructure front with an unprecedented array of projects lined up for implementation, like new highways, ports, airports and power projects. The automobile and manufacturing sectors are also notching up good growth

rates. We are on the cusp of perhaps one of the biggest opportunities of our lifetime.

Our projected investments of over ₹ 47,000 crore in new and additional refining capacity, enhanced pipeline network and marketing touch-points ensure that our nation will always have a secure and reliable energy resource for development. The Corporation's 15 MMTPA Paradip Refinery Project on the east coast is also a significant addition to the nation's refining infrastructure and opens up significant export opportunities. In the recent years, while the rapid growth in the Indian economy has increased its appetite for petrochemicals, the per capita consumption still continues to be way below the world average. The demand for petrochemicals in the domestic segment in India is very strong and slowly, we are seeing the established markets move to specialty polymers while much of India and China are focusing on commodity polymers.

## Case Study: Innovative technical support is the key for success:

IndianOil has a sprawling world-class R&D Centre. It has pioneered several lubricants formulation, refinery processes, improvements in pipeline transportation and alternative fuels, and is also the nodal agency of the Indian hydrocarbon sector for ushering in Hydrogen fuel economy in the country. The Centre holds 212 active patents, with over 100 international patents. Some of the in-house technologies and catalysts developed by IndianOil include the INDMAX technology (for maximising LPGas yield), Oilivorous-S bio-remediation technology (extended to marine applications too), Diesel Hydro DeSulphurisation (DHDS) catalyst, a special catalyst for Bharat Stage-IV compliant Diesel, IndVi catalyst for improved distillate yield and FCC throughput, and adsorbent based deep desulphurisation process for gasoline and diesel streams.

During the year 2010-11, we have recorded a turnover of ₹ 3,28,744 crore and profit of ₹ 7445.48 crore. Our refineries operated at 102% capacity with a throughput of 52.96 MMT and continued to improve their distillate yield performance. Our pipelines network has registered an all-time high crude throughput of 42.47 MMT during the year. The product pipeline throughput was at 25.37 MMT. We have notched up a higher share of about 49.5% in the



sale of petroleum products. Our Petrochemical group has achieved sales at 910 TMT during the year in comparison to 650 TMT last year. In Petrochemicals, IndianOil offers a full slate of products including Linear Alkyl Benzene (LAB), Purified Terephthalic Acid (PTA) and an extensive range of polymers. IndianOil holds a significant market share of LAB in India and exports to 19 countries. It is also one of the largest suppliers of Mono-Ethylene Glycol (MEG) in the domestic market clocking a sales volume of 151 TMT during 2010-11. Execution of a state-of-the-art 120,000 tonnes per annum Styrene Butadiene Rubber (SBR) unit is underway at Panipat. The SBR unit is expected to further strengthen IndianOil's presence in the speciality petrochemicals sector.

### Energising a greener tomorrow

IndianOil's commitment to achieve sustainable development and its vision to be the 'Energy of India' have motivated



its initiatives into the renewable energy such as Bio-fuels, Wind and Solar. Moreover, with the return of high crude oil prices, the attractiveness of investment in these energy sources has increased considerably. Besides, a conducive policy environment, as being put in place under the Government's National Action Plan on Climate Change is seen as a major catalyst in making renewable energy investment attractive and rewarding. From the near future onwards, renewable energy sources will provide the most versatile solution to the energy and environmental related issues. IndianOil is working on various ambitious projects in alternative energy vistas such as biofuels, solar energy, wind energy and Nuclear energy, besides Biomass, Biogas

and Hydrogen fuels are also under active consideration. Our technology initiatives and business strategies provide us a unique competitive advantage in handling the entire hydrocarbon value chain and a diversified portfolio of products, brands and services. Today, the guiding principle in the race to develop and adopt the best technologies is reduction of carbon footprint, waste generation and water consumption in various operations.

### Solar Energy

India is endowed with enormous solar energy potential across its complete geographical span and to tap this



renewable energy potential, IndianOil is progressing steadfast. Our initiatives in garnering solar energy are as under :

A 5 MW Solar-PV power plant in Rajasthan is expected to commence power generation by January 2012. This is being developed with technical assistance from BHEL.



IndianOil has large network of Retail Outlets (ROs) spread all over India. We propose to have off-grid solar power systems and wind-solar hybrid systems at these ROs to meet their energy need. This will not only ensure the



un-interrupted power supply but also reduce the carbon footprint of those ROs.

Our Solar Lanterns are gaining popularity in the rural market due its superior illumination quality. About 30,500 users of our Solar lanterns find the same as an appropriate appliance to their quest for a superior illumination and smoke-free environs. Further efforts for cost reduction of our solar lantern is already underway. Solar Lantern testing facility has been created in R&D Centre.

A number of initiatives on Solar PV lighting, Solar-LED Street light at various Refineries, Installations, terminals and LPG Bottling Plants and administrative offices across the organization have been initiated to harness solar energy and reduce the carbon footprint, as well.

### Wind energy

Our first wind power unit (21 MW) is operating in Kutch, Gujarat and since its commissioning in Jan 2009, it has generated 8.5 crore units equivalent to a revenue of ₹ 39.5 crore till 31.03.2011. It is also generating about



34,000 CERs annually. Additional wind power capacity of 48.3 MW is proposed to be added during 2011-12.

### Biofuels

On 12 September 2008, the Government of India announced its 'National Biofuel Policy'. It aims to meet 20% of India's diesel demand with fuel derived from plants.

IndianOil has the largest captive energy crop assets as we have completed Jatropha plantation



in 6081 hectares of Government wasteland in the States of Chhattisgarh, Madhya Pradesh and Uttar Pradesh. To straddle the complete bio-fuel value chain, IndianOil has formed a joint venture with the Chhattisgarh Renewable Development Authority. IndianOil CREDA Biofuels Ltd. to carry out farming, cultivating, manufacturing, production and sale of biomass, bio-fuels and allied products and services in Chhattisgarh. In Uttar Pradesh, IndianOil is establishing a model value chain for the production of bio-diesel in partnership with Ruchi Soya. A MoU for collaborating on commercial production of

### Case Study : Jatropha plantation Sites – A headway in Carbon Sinking and CSR activities.

IndianOil-CREDA Biofuels Ltd. (ICBL) at Chhattisgarh organized Health Care Camps for villagers at Bhamu and Newra, Bilaspur district, Chhattisgarh in association with Helpage India– a leading NGO in the field of health care. Over 500 people in Newra and Bhamu village availed the services. They were offered free medicines and a routine check-up for malaria which was endemic in the area. A series of climate awareness programmes has been conducted in association with The Institute of Applied Systems and Rural Development (IASRD), Delhi, in Chhattisgarh, creating awareness on climate change.



bio-diesel from algae has also been signed with PA LLC. Our Jatropha Plantation drive has generated about 3.33 lakh man days of rural employment having a CO<sub>2</sub> sequestration potential of 22.7 tCO<sub>2</sub> per month. The company envisages Jatropha plantation in 80,000 hectares in Chhattisgarh & Uttar Pradesh in coming years.

### Second Generation Bio Fuels

We have planned setting up an advanced bio-energy research facility in collaboration with Department of Bio technology, Government of India. Its main focus area will be technology development and deployment of second generation bio fuels produced from a variety

of feed stock, including waste material like ethanol from lingo cellulosic fermentation, algae based bio-fuels.

### Nuclear Energy

A JV company NPCIL-IndianOil Nuclear Energy Corp. Ltd. with Nuclear Power Corporation of India Limited has been formed to meet our ambitious plans for putting Nuclear Power Plants. JV is putting up Nuclear Power Plants at Rawatbhata, Rajasthan (2X700 mw) with Pressurised Heavy Water Based Reactor (PHWR) technology future participation in other planned project is being examined. Upon opening up of the sector, we have plans for independently developing nuclear portfolio and make IndianOil a nuclear energy major. Accordingly, developing human capital is a thrust area.





## *Economic Aspects -*

Inclusive growth & profitability





## *Economic Aspects-* Inclusive growth & profitability

With an overall improvement in the global business environment in the last year, the world economy is coming out of the recessionary mode. However, transition from recovery to expansion seems to be a major policy challenge, especially in the advanced economies. While the developing economies played a dominant role in the global growth recovery and continued to grow at high rates, the flaring inflation rates in most of the emerging economies, presents a potent risk to the sustenance of the growth momentum.

The turnaround in global economic growth reflected in a rebound in energy demand. The growth in energy consumption was broad-based across energy types. Emerging economies in particular contributed to the high demand growth.

In 2010, world oil consumption was at around 88 million barrels per day exceeding its pre-crisis peak. The supply side registered higher production but the market remained tight as rise in production did not fully match the rise in consumption, resulting in drawing down of inventories. With demand outrunning production, during the year, crude oil prices continued their ascent. Towards the end of 2010-11, the upward trajectory steepened as the political turmoil in Middle East & North Africa (MENA) region accompanied by supply outages from Libya hit the oil market. In less than two years, oil prices are back to the plus US\$100/bbl domain and are reshaping energy policy & business. With high oil prices, focus is once again turning to Bio-fuels, Shale gas, Oil sands, other unconventional Oil sources and renewables.

The Indian energy market is amongst the largest in the world. Further, the sector is expected to grow at high rates, way above the global average largely propelled by the fast growth of the Indian economy, rapid rate of urbanization and the need to supply energy to millions of Indians trapped in energy poverty. As a key supplier

in such a market, the corporation assesses ample growth opportunities for itself, which are further enhanced by the increasing thrust of the policy initiatives for energy sector development. The Corporation's vision is to become the 'Energy of India', and business strategies are focused on strengthening core business.

### **Rural Energy Deficit & Potential:**

Within the domestic market, the Corporation looks at the rural space as presenting unique growth opportunities. It is our endeavor to dovetail our business initiatives with the goal of energy inclusion in the country. The corporation's rural marketing model is based on low cost, no frills retail outlets, named Kisan Seva Kendras (KSKs) for providing fuel and non fuel services to the rural market. The renewed thrust of the Government towards the basic energy needs of the Below Poverty Line (BPL) families through focused schemes such as Rajiv Gandhi Gramin LPG Vitaran Yojana in which the Corporation is partnering, gives further impetus to the corporation's efforts in this area. The sale of solar lanterns through the corporation's retail network and LPG distributionship supplements these efforts.

### **International Downstream Marketing Opportunities:**

In the international petroleum product market, the Asia-Pacific Region has emerged as the leading growth center for petroleum demand and is expected to turn into the largest importer of petroleum products in the near future. In addition, the emerging markets are experiencing rapid growth in petroleum product demand. The Corporation aims to explore opportunities presented by these fast growing demand centers through appropriate business models.

### **Business Integration:**

#### **Downward Integration in Petrochemicals:**

The Corporation has made significant strides in downward integration into petrochemicals in the recent past. The

ground strength of India's manufacturing base has created robust growth in petrochemicals demand. Supported with our future investments plans, we have moved up the petrochemicals value chain, garnering opportunities presented by the growing petrochemicals demand in the country. In addition, IndianOil also aims to expand its petrochemicals export market.

### **Upward Integration into Exploration & Production:**

With the objective of enhancing the energy security of the country and backward integration of its business, the Corporation has been in pursuit of tapping E&P opportunities and through a consortium approach entrenching its upward integration for over a decade now. Having built up a portfolio of blocks, within and outside the country, the Corporation awaits a significant breakthrough.

### **Beyond Petroleum: Growing Gas Supply Opportunities:**

Improved gas supply in the country

and existing limited gas supply infrastructure, present a considerable investment opportunity in developing gas transportation infrastructure and marketing of gas. In this context, participation in construction of pipeline networks both cross country & city gas distribution will be a focused area for the corporation. Prospects of LNG imports to the country have turned positive in the last couple of years and to seize the opportunity presented, the corporation plans to build LNG Import Terminals.

Further, there is growing policy thrust on initiatives in the domain of Sustainability. Through its Memorandum of Understanding (MoU) with the Public Sector Undertakings, the Government of India has been bringing enhanced focus to CSR activities and Sustainable Development. This is a welcome step and the corporation has already incorporated targets pertaining to these areas in its MoU with the Government. Thrust on these areas will go a long way in establishing a long-term competitive edge to the corporation.





## Financial & Operational Performance

	2010-11 ---- ( US \$ Million ) ----	2009-10	2010-11	2009-10	2008-09	2007-08	2006-07
					(₹ in crore)		
<b>I FINANCIAL</b>							
Turnover (Inclusive of Excise Duty)	72,125	57,121	<b>3,28,744</b>	2,71,095	2,85,398	2,47,457	2,20,779
Gross Profit *	3,584	3,976	<b>16,336</b>	18,872	11,319	14,334	14,622
Profit Before Interest & Tax	2,582	3,294	<b>11,769</b>	15,632	8,281	11,626	11,990
Profit Before Tax	1,996	2,972	<b>9,096</b>	14,106	4,329	10,080	10,485
Profit After Tax	1,633	2,154	<b>7,445</b>	10,221	2,950	6,963	7,499
Dividend	506	665	<b>2,307</b>	3,156	910	656	2,251
Dividend Tax	79	107	<b>359</b>	509	155	76	362
Retained Earnings	1,048	1,382	<b>4,779</b>	6,556	1,885	6,231	4,886
Value Added	7,123	6,866	<b>32,466</b>	32,586	31,507	24,667	24,716
Contribution To Central Exchequer (Incl. Dividend paid to Central Govt.)	8,701	5,592	<b>39,658</b>	26,541	25,891	34,249	28,431
Cumulative Dividend	4,581	3,914	<b>20,882</b>	18,575	15,419	14,509	13,853
*Profit before Depreciation, Interest Expenditure and Tax.							
<b>What Corporation Owns</b>							
Gross Fixed Assets	20,883	16,055	<b>93,137</b>	72,089	62,345	56,832	54,837
Depreciation & Amortisation	7,836	6,794	<b>34,950</b>	30,508	27,567	24,060	21,467
Net Fixed Assets	13,047	9,261	<b>58,187</b>	41,581	34,778	32,772	33,370
Capital Work In Progress	2,836	4,737	<b>12,648</b>	21,269	18,140	9,170	4,395
Investments	4,382	4,982	<b>19,545</b>	22,370	32,232	21,536	19,991
Working Capital	5,383	3,260	<b>24,008</b>	14,637	9,261	18,391	9,407
Misc. Expenditure	3	4	<b>15</b>	18	38	125	157
<b>Total</b>	<b>25,651</b>	<b>22,244</b>	<b>1,14,403</b>	<b>99,875</b>	<b>94,449</b>	<b>81,994</b>	<b>67,320</b>
<b>What Corporation Owes</b>							
<b>Net Worth</b>							
- Share Capital	544	541	<b>2,428</b>	2,428	1,192	1,192	1,168
- Share Suspense Account	-	-	<b>-</b>	-	22	-	24
- Reserves	11,862	10,718	<b>52,904</b>	48,125	42,784	39,894	33,665
<b>Total</b>	<b>12,406</b>	<b>11,259</b>	<b>55,332</b>	<b>50,553</b>	<b>43,998</b>	<b>41,086</b>	<b>34,857</b>
Borrowings	11,824	9,926	<b>52,734</b>	44,566	44,972	35,523	27,083
Deferred Tax Liability	1,421	1,059	<b>6,337</b>	4,756	5,474	5,385	5,380
Foreign Currency Monetary Item Translation Difference Account	-	-	<b>-</b>	-	5	-	-
<b>Total</b>	<b>25,651</b>	<b>22,244</b>	<b>1,14,403</b>	<b>99,875</b>	<b>94,449</b>	<b>81,994</b>	<b>67,320</b>

**Note:** Figures for the previous year have been regrouped, wherever necessary.



	2010-11	2009-10	2010-11	2009-10	2008-09	2007-08	2006-07
<b>Ratios</b>							
Debt Equity Ratio							
- Total Debt To Equity	0.95:1	0.88:1	<b>0.95:1</b>	0.88:1	1.02:1	0.86:1	0.78:1
- Long Term Debt To Equity	0.34:1	0.36:1	<b>0.34:1</b>	0.36:1	0.36:1	0.28:1	0.31:1
Profit After Tax To Average Networth (%)	14.06	21.62	<b>14.06</b>	21.62	6.93	18.34	23.38
	2010-11	2009-10	2010-11	2009-10	2008-09	2007-08	2006-07
	----- ( US \$ ) -----			----- ( ₹ ) -----			
Earnings Per Share*	0.67	0.89	<b>30.67</b>	42.10	12.15	29.20	31.45
Cash Earnings Per Share*	1.09	1.17	<b>49.47</b>	55.44	24.66	40.55	42.49
Net Worth Per Equity Share	5.00	4.64	<b>227.90</b>	208.21	181.22	172.29	146.17
* Earnings Per Share, Cash Earnings Per Share and Net Worth per Equity Shares for all the periods have been adjusted for Bonus Issue in November 2009							
Note: Exchange rate used:-							
For 2010-11 Average Rate 1 US \$ = ₹ 45.58 and Closing Rate 1 US \$ = ₹ 44.60 as on 31.03.2011							
For 2009-10 Average Rate 1 US \$ = ₹ 47.46 and Closing Rate 1 US \$ = ₹ 44.90 as on 31.03.2010							

## II OPERATIONS

		2010-11	2009-10	2008-09	2007-08	2006-07
<b>Operating Performance</b>						
Product Sales						
Domestic						
- Petroleum Products	Million Tonnes	<b>65.314</b>	63.030	60.887	57.548	53.363
- Gas	Million Tonnes	<b>1.638</b>	1.683	1.666	1.737	1.482
- Petrochemicals	Million Tonnes	<b>0.909</b>	0.652	0.540	0.528	0.305
- Explosives	Million Tonnes	<b>0.071</b>	0.058	0.051	0.042	0.048
Total Domestic	Million Tonnes	<b>67.932</b>	65.423	63.144	59.855	55.198
Export	Million Tonnes	<b>4.988</b>	4.497	3.613	3.331	3.131
Total	Million Tonnes	<b>72.920</b>	69.920	66.757	63.186	58.329
Refineries Throughput	Million Tonnes	<b>52.962</b>	50.696	51.367	47.401	44.002
Pipelines Throughput	Million Tonnes	<b>68.523</b>	65.007	59.627	57.121	51.693

## III MANPOWER NUMBERS

	2010-11	2009-10	2008-09	2007-08	2006-07
	<b>34,105</b>	34,363	33,998	31,945	29,862









# *Environmental Aspects -*

Integrated approach for  
resource conservation





## *Environmental Aspects-* Integrated approach for resource conservation

Oil & Gas industry is under tremendous pressure to meet the ever rising challenges of energy deficit, population growth and economic development as well as upgrade processes and product specifications to make them environment friendly. In various parts of the world, the conflict between economic development and environment conservation is increasing. IndianOil appropriately addresses those issues by understanding the expectations of the communities in which we operate in and act in an economically, socially and environmentally responsible manner which is ascribed to our constant engagement with the stakeholders to mitigate the shared problems and challenges.

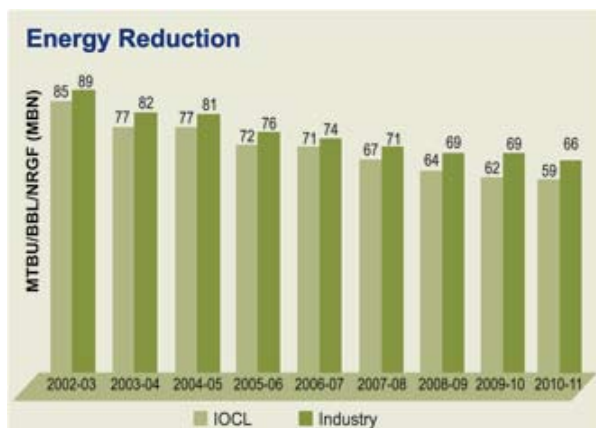
The corporation appreciates the merits and the necessity of sustainable development and is committed to sustainable business practices. Within its core business, the Corporation would continue with its focused attention on efficiency improvement, energy conservation, in supplying environment friendly fuels. Further, the corporation views it as an opportunity to create foundations of a sustainable business by integrating society & environment into our business. The Corporation intends to make its KSKs and its initiatives under RGGLVY as the nodal points of delivery of its CSR activities in rural areas with respect to its health related initiatives and reaching LPG to BPL families.

### **Energy Reduction - key enabler to sustainable growth**

Crude oil is our major raw material and is obtained from overseas and indigenous sources.

During the year 2010-11, we have processed 52,962 MMT of crude and continued to improve our performance with a capacity utilization of 102%. Various energy optimisation and hydrocarbon loss minimising schemes have been implemented at IndianOil Refineries, which have resulted in fuel savings to the tune of around 93,600 MT/year valued at about ₹ 240 crore. The Energy Index in terms of MBTU/BBL/ NRGF of our refineries in the year 2010-11 was further reduced to 59 against the energy index of 62 in the year 2009-10.





Energy Sourcing and Consumption										
	Own Power Generation (MWH)		Purchased Power (MWH)		Fuel Oil (TMT)		Fuel Gas (TMT)		Diesel (TMT)	
Division	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
REF	3259169	3231862	86722	46590	2075	1202	1725	1932	24	73
MKTG	3245	3383	59858	61055	Nil	Nil	Nil	Nil	3.9	4.1
PPL	Power from WTG (Wind)- 20436 Power from Refineries- 34592	Power from WTG (Wind)- 23142 Power from Refineries- 38786	71563	71288	70	69	Nil	Nil	33	29
R&D	5953	5543	180	2491	0.26	0.017	Nil	Nil	1.45	1.5

Power Consumption (MWH)			
Division	2009-10	2010-11	Increase/Decrease in Total Power Consumption
Refineries	3345890.79	3278452.482	(2.02)
Marketing	63103.167	64438.496	2.12*
Pipelines	126589.835*****	133216.072*****	5.23**
R&D	7752.527	8033.531	3.62***
Total	3543336.32	3484140.581	(1.67)

\* increased t'put

\*\* CBPL (Chennai Bangalore Pipeline commissioned and increased t'put)

\*\*\* construction activities

\*\*\*\*\* Wind Power consumption 20435.542 MWH & 23141.829 MWH in 2009-10 & 2010-11 respectively.

## Carbon Management Drives:

Monitoring and control of emission of Green House Gases, mainly Carbon Dioxide is being done. One Clean Development Mechanism Project at Guwahati Refinery pertaining to Flare Gas Recovery System was registered during the year with United Nations Framework Convention of Climate Change (UNFCCC). The Certified Emission Reduction (CER) for the project is 3690. A total of five Clean Development Mechanism (CDM) projects of Refinery Units have been registered till date at UNFCCC, with cumulative CER of 59, 964. Also, seven additional projects under CDM have also been taken up in Refinery Units.

## Carbon Foot printing

Carbon Foot printing in one Refinery and 6 other installations of Pipelines, Marketing, R&D Centre and liPM



has been done. All refineries are carrying out Verification Certification, as per ISO-14064:1-2006.

### Carbon Neutrality

We have identified 3 major events and made them carbon neutral

- Corporate Management Committee / Communication Meet, New Delhi: Dec-2010
- Belgaum Dealers' Conference, Goa: Jan-2011

- Inter Divisional Cricket tournament, Baroda: Jan-2011

Potential sources of carbon footprints such as air travel undertaken by officials, electricity required for accommodation of officials, electricity required for running the event, ground transportation of officials, fuel used for cooking food for the officials and waste generated during the events were identified. Trees to sequester at least two times the emissions were also planted.





## Effluent Management

All the refineries were complying with the minimal national standards of CPCB for discharge of liquid effluent. Ministry of Environment and Forests (MoE&F) issued a gazette notification in March 2008 where effluent and emission norms for refineries were revised. Excepting Guwahati and

Barauni refineries other six refineries are complying with the revised effluent standard. We have already initiated action to make Guwahati and Barauni refinery also effluent compliant with respect to all parameters.

### Compliance of revised Effluent Standards (Concentration based) for Refineries for the year 2010-11 is as below:

(Figs. in mg/lit. except pH)

Parameter	Standard	G	B	J	H	M	D	P	BG
pH	6.0 - 8.5	7.1	7.6	7.3	7.2	7.5	7.0	7.5	7.2
Oil & Grease	5.0	5.6	6.3	2.2	3.5	4.4	4.9	4.3	1.3
Phenols	0.35	0.36	0.03	0.08	0.28	0.05	0.28	0.10	0.03
Sulphides	0.5	0.02	0.31	0.14	0.05	0.14	0.11	0.30	0.08
BOD	15.0	12.7	16.6	7.0	9.2	8.3	10.0	9.3	3.3
TSS	20.0	12.4	22.3	11.8	11.6	12.0	14.7	13.8	4.5
COD	125.0	46.9	75.5	51.4	79.2	95.0	84.7	87.4	29.5
CN	0.20	0.02	BDL*	BDL*	BDL*	BDL*	0.04	BDL*	BDL*

\*BDL: Below Detectable Limits

### Compliance of Effluent Standards (Quantum based) for Refineries for the year 2010-11 is as below:

(Figs. in Kg/1000 Ton Crude processed)

Parameter	Standard	G	B	J	H	M	D	P	BG
Oil & Grease	2.0	3.5	1.6	0.07	0.6	1.0	0.4	0.2	0.05
Phenols	0.14	0.231	0.009	0.002	0.046	0.011	0.021	0.0042	0.001
Sulphides	0.2	0.01	0.08	0.004	0.01	0.03	0.01	0.013	0.002
BOD	6.0	8.0	4.3	0.2	1.5	1.9	0.7	0.39	0.12
TSS	8.0	7.9	5.8	0.4	1.9	2.7	1.1	0.58	0.17
COD	50.0	29.8	19.7	1.6	13.2	21.2	6.2	3.68	1.08
CN	0.08	0.01	BDL*	BDL*	BDL*	BDL*	0.003	BDL*	BDL*

\*BDL: Below Detectable Limits

Refinery	Effluent Balance M3/Hr (2010-11)			
	Gross Effluent Generated	Net Discharge	Reuse	Reuse %
Guwahati (G)	230	79	151	65.65
Barauni (B)	488	182	306	62.70
Koyali (K)	1199	41	1158	96.58
Haldia (H)	606	128	478	78.88
Mathura (M)	630	211	419	66.51
Digboi (D)	51	6	45	88.24
Panipat (P)	967	172	795	82.21
Bongaigaon (BG)	267	8	259	97.00
<b>TOTAL</b>	<b>4438</b>	<b>827</b>	<b>3611</b>	<b>81.37</b>

In the refinery units, the specific water consumption (M<sup>3</sup>/MT of crude processed) was 1.528 as compared to 1.601 during the previous year.



### Rain Water Harvesting

During the year, Rain water harvesting facilities were put up in 74 Marketing installations & is in progress at another 27 installations. The ground water level is measured through piezometer installed at five locations of R&D Centre, on a quarterly basis. 16 Rain water harvesting projects have been completed in Refinery Units and implementation at 23 locations is in progress. There are 23 locations in Pipelines installations where rain water harvesting is carried out. Rain water harvesting facilities have been installed at R&D centre and liPM.

### Emission & Waste control – Key indicators to our sustainable achievements

During the production process in the refineries there are emissions of several pollutant gases from the stacks like sulphur dioxide and nitrogen oxides. Utmost attention is given to control / reduce emissions in our refineries. The major sources of gaseous emissions are flue gases from boilers and heaters, FCC regenerators and Sulphur Recovery Units. Hydrocarbon leaks and evaporation during storage, handling and transportation of petroleum products and crude oil are also potential sources of emissions to air.

### SO<sub>2</sub> emission from Refineries

Refinery	Prescribed Limited (KG/HR)	Actual (KG/HR) (2009-10)	Actual (KG/HR) (2010-11)
Guwahati (G)	*	55-110	76 – 103
Barauni (B)	1080	727-835	550 – 820
Gujarat (G)	1360	825-979	892 – 948
Haldia (H)	1340	719-897	646 – 824
Mathura (M)	450	267-358	323 – 375
Digboi (D)	-	50-80	50 – 64
Panipat (P)	1275	972-1169	885 – 1125
Bongaigaon (BG)	-	66-111	48 – 81
PNCP	138	-	1.4** - 96

\* Limit not prescribed by Assam State Pollution Control Board for Guwahati, Digboi and Bongaigaon Refineries which process very low sulphur Assam Crude.

\*\* Using RLNG as fuel from Oct'10

Our units and installations apply the principles of 'prevent, reduce, reuse and recover'. The Oily sludge generated in Crude and Product tanks, chemical sludge, biosludge

and spent catalyst are the main hazardous solid wastes generated in the Refinery units. Oily Sludge is generated from Crude and Product Tanks at Pipelines and Marketing Installations. Our refineries follow a mix of strategies for management of oily sludge, which include minimization of generation at source, advanced in-situ tank cleaning methods, bioremediation using advanced microbial treatment and disposal in secured landfill sites.

The Biological Sludge generated in the Activated Sludge Treatment Plant of ETPs of Refinery Units is disposed off in green belts as manure. The FCC spent catalyst is sold to cement industry for use as a filler material and is also used for road construction as a filler. The spent catalyst of CRU and HGU is sent back to the supplier. During the year 2010-11, around 3,890 MT of spent catalyst was generated in Refineries, out of which 100 MT was reused and 1,110 MT was safely disposed off through sale to CPCB approved parties and balance quantity is secured for further disposal. During the year 2010-11, around 11,500 MT of oily sludge was generated in Refineries and Pipelines installations, out of which 3,990 MT was reused and 8,450 MT was safely disposed off. The oil sludge generated by our Terminals /Depots are treated as per PCB norms and bio-remediated.

### Oil Spill Response facilities

Oil Spill Response facilities are provided at Port Locations and the Tier-I facilities are being maintained by respective Port Trusts. The capital cost is being shared by the port users. The services of East Asia Response Limited, Singapore are being used for Tier-II (1000 tonnes) and Tier-III (beyond 1000 tonnes) level Oil Spill Management. The Indian Coast Guard is the nodal agency and the operator liaises with Indian Coast Guard for Oil Spill Management (Tier-II and Tier-III). Oil spill response mock drill conducted at WRPL, Vadinar with mutual aid partners in Apr'10, Nov'10 and Mar'11.

### Development of Green Belts and Eco Parks

Tree plantation in and around our all establishments is an ongoing activity. Development of green belts / ecological parks has been a significant feature of IndianOil's operations. All refineries have developed green cover around their operations. Guidance from eminent Botanists has been

taken in scientifically planning and development of green belts in and around our refineries. During 2010-11, around 61,500 trees have been planted in our Refineries and around 37,100 trees have been planted at our Marketing & Pipeline Installations and R&D centre.

The sustenance of large species of trees and birds with natural breeding activity in the eco-parks demonstrates the prevalence of eco-friendly environment in and around our refineries.

## Safety & Health

We believe the safety of our employees and assets is a never ending process. Following the unfortunate fire incident at our Jaipur Oil Terminal on 29<sup>th</sup> October 2009, the safety preparedness of oil and gas installations was revisited by expert committees. Implementation of committees recommendations are being monitored by a high level committee. 52% of the recommendations have been implemented at our installations during the year. Consequent to the Jaipur fire, a major administrative change has been effected by putting in place a direct monitoring system viz. Head of Corporate Health Safety &



Environment department now directly reports to Chairman of the Company and the respective HODs of Health Safety & Environment of Marketing Division and Pipelines Division are functionally reporting to Head, Health Safety & Environment, Corporate Office. To generate awareness

among all units, we have conducted a series of training programmes on Standard Operating Procedures and several other workshops on safety. A workshop on "Fire Hazard Management of Storage Tanks and Associated Facilities" by faculty of international repute from M/s Resource Protection International, UK was conducted at IIPM, Gurgaon which was attended by officers from the oil industry and Oil Industry Safety Directorate.

IndianOil believes that the man behind the machine is very important and considers their health as an asset to the Corporation. All the refineries of IndianOil have been certified by the DNV under OHSAS: 18001 {"Occupational Health and Safety Assessment Series"}. The healthcare personnel regularly interact with managers and staff in the shop floor on health and safety.

## Case study: IIPM Gurgaon - A showcase to our green initiatives

IndianOil Institute of Petroleum Management (IIPM) is a world class, eco-friendly rain harvested campus with residential academic infrastructure. It is spread over 17 acres of lush green natural environment highly conducive for learning, networking and sharing experiences. The excellence of its facilities has attracted many B-Schools across the globe for conducting their management development programmes for Executives. Our green initiatives include:

- All incandescent lamps, halogen lamps are replaced with Compact Fluorescent Lamps (CFL), LED, etc and saving 71.8 units per hour.
- Solar Heating System installed for hot water consumption in hostel rooms since 1998.
- To recharge ground water, we are using rain-water harvesting system since 2003.
- Green Cover plantation: Planted 100 saplings around the boundary wall to increase green cover, which not only minimize the noise & air pollution but also improve air quality and clean environment.





## Water Conservation

The treated effluent water is reused / recycled for various purposes in refineries like fire water & cooling tower make up, coke cutting in Delayed Cokers, as DM Water in boilers and process plants and also for captive irrigation in our green belts & Eco parks and make up to Eco-ponds. This

has helped in reducing discharge of treated effluent outside and also reduction in fresh water consumption. About 81% of the treated effluent was reused in all refineries during the year against 77% in the previous year.

## Water Consumption and Conservation

	2009-10			2010-11			Increase/ Decrease in Total Water Sourced
Division	Total Water Sourced M <sup>3</sup>	Ground Water Sourced M <sup>3</sup>	%G Water/ Total Water	Total Water Sourced M <sup>3</sup>	Ground Water Sourced M <sup>3</sup>	%G Water/ Total Wate	%
REF	81124078	20968171	25.85	80927202	14001341	17.30	(0.24)
MKTG	1195464	1052178	88.01	1205183	1054172	87.47	0.81
PPL	343268	305212	88.91	312644	277798	88.285	(8.92)
R&D	200700	200700	100	182000	182000	100.00	(9.32)
<b>Total</b>	<b>82863510</b>	<b>22526261</b>	<b>27.18</b>	<b>82627029</b>	<b>15237513</b>	<b>18.44</b>	<b>(0.29)</b>





## *Social Aspects -*

Nurturing symbiotic relations  
with community





## *Social Aspects-* Nurturing symbiotic relations with community

Nurturing and nourishing symbiotic relations between our business and the local community is one of the key determinants in attaining inclusive growth. We relentlessly endeavour to fulfill our commitment towards Caring for the Environment and Community.

As a constructive partner in the communities in which it operates, IndianOil has been taking concrete action to realise its social responsibility objectives, thereby building value for its stakeholders. IndianOil has supported

innumerable social and community initiatives in India and touched the lives of millions of people positively by supporting various environmental and healthcare projects and social, cultural & educational programmes. Besides focusing primarily on the welfare of the economically and socially deprived sections of society, IndianOil also aims developing techno-economically viable and environment-friendly products & services for the benefit of millions of its consumers.

### Community Welfare & Development – A Multi-Disciplinary Approach



IndianOil has a policy of setting aside upto 2% of its retained profit of the previous year towards Corporate Social Responsibility activities, which are taken up in a planned manner based on the local communities' requirements. Broadly, IndianOil's initiatives are covered under following schemes/activities.

**IndianOil Foundation:** The IndianOil Foundation (IOF), a non-profit Trust was created in the year 2000 to protect, preserve and promote the national heritage, in collaboration with The Archaeological Survey of India and National Culture Fund of the Government of India. In the first phase, the following sites have been identified

for developing tourist-friendly facilities in the monument complex:

- Konark Sun Temple, Orissa (Eastern Zone)
- Vaishali, Bihar (Eastern Zone)
- Kanheri Caves, Maharashtra (Western Zone)
- Khajuraho, Madhya Pradesh (Central Zone)
- Warangal Fort, Andhra Pradesh (Southern Zone)

The projects for developing tourist-friendly facilities at the above sites are at various stages of planning and execution.



**LPG Schemes:** IndianOil sets aside a fixed percentage of Net Profit of previous year towards the following schemes for the development of the economically challenged:

- Provision of common LPG kitchen facilities in villages
- Release of one-time grant to Below Poverty Line (BPL) families in the rural areas for release of new LPG connections under the Rajiv Gandhi Gramin LPG Vitarak Yojana (RGGLV Yojana)



Under the Community Development Programme, we have adopted a multi-disciplinary approach incorporating health, family welfare, education, drinking water, sanitation, and empowerment of women and other marginalised groups in the vicinity of our major establishments. The activities undertaken under the above thrust areas are :

### Developing sustainable communities

376 villages all across the country were benefitted by installation of hand pumps, elevated water tanks, rain water harvesting projects and kits.

563 villages availed the benefits of our various healthcare initiatives such as health camps, pre & post natal care, medicines to Primary health centres, wheel chairs, etc.

Financial assistance to schools for construction, repairs, furniture, lab equipment, delivery vans for mid-day meals.

Most of the diseases prevalent in rural India can be treated through timely primary healthcare and basic awareness regarding prevention and treatment. In order to bridge this gap, IndianOil Board has approved The IndianOil Rural Mobile Healthcare Scheme which would provide primary healthcare to the villages near IndianOil's Kisan Seva Kendras. Under the scheme, mobile medical units with a dedicated team of doctor, pharmacist, community

worker and driver would travel within the villages near a Kisan Seva Kendra providing primary healthcare to the local community.

**National Causes and Natural Calamities:** IndianOil responds proactively to provide aid and relief to the victims of natural calamities such as floods, tsunami, earthquake, cyclones, etc. IndianOil also contributes towards nation-building by setting up educational institutions of national importance like the Rajiv Gandhi Institute of Petroleum Technology, causes such as National Children's Fund, Jansankhya Sthirtha Kosh, etc.

### Case study: Healthcare initiatives - Potent enabler for inclusive growth

Our 200 bed hospital at Digboi, equipped with ultra-modern medical facilities, is catering to the health care needs of the people of the area. Apart from our own employees, over 1 lakh patients from the districts of Tinsukia and Digboi, adjoining parts of Arunachal Pradesh and ever neighboured Myanmar, are availing of the services of the hospital, each every year. The physicians and paramedical staff regularly visit the nearby villages and provide services to the villagers. With our annual budgetary outlay of ₹ 3 crore for the non-employee patients, we consider such health care initiatives as our enduring offerings to the society.







*Labour Practices*





## Labour Practices

In the deregulated era, the entry of private and global energy majors has changed the equilibrium between the demand for human capital and employees, business plans. IndianOil, being one of the best employers, has always focussed on innovative HR practices. Our recruitment process, training & development programmes, employee engagement measures, succession planning, etc. are focussed towards developing a vibrant pool of knowledge assets. We believe in adapting to the changing industrial environment while keeping in mind the aspirations of our workforce.

### Recruitment, Induction and On-boarding

IndianOil offers a world of opportunities, across more than 600 locations in India including refineries, pipelines, terminals, LPG bottling plants, bulk storage terminals, Aviation Fuel Stations, Retail/Consumer/Lubricants sales, and at the R&D Centre. We recruit bright and professionally qualified people for executive cadre through open and campus recruitment.

For open recruitments, advertisements are published in leading national dailies. We also visit the IITs, NITs and other reputed technical campuses of the country for recruiting final year engineering students. We also visit prominent business management institutes to recruit final year MBA students. IndianOil inducts officers at the junior-most level of the management.

To familiarise freshly recruited employees to know with IndianOil and its business lines, we expose them to a viewfinder course through an induction training

programme at the IndianOil Institute of Petroleum Management (IIPM), our world class training institute located at Gurgaon. Our various induction training programmes are custom made to provide inputs for start-up and exposures on work culture, organisational structure, corporate vision and ethics, etc.

### Training and Development

Our organisational vitality and competitiveness are achieved through various efforts in developing Human Capital. We continue to put in efforts to achieve our strategic agenda of a globally admired company and for the same, we strive to attract and retain talent through personal development and conducive work environment. Our world-class training infrastructure for training and learning is the backbone of our success. Besides 20 learning centres and those at each of our refineries, we have three premier centres for higher learning-

- IndianOil Institute of Petroleum Management, Gurgaon.
- IndianOil Management Centre for Learning, Mumbai
- IndianOil Management Academy, Haldia

Custom made training modules are designed for developing future leaders from a talented and diverse workforce. Our e-learning initiative aims at providing access to knowledge bank to cover the entire workforce.

### Collective Bargaining

A common and shared set of industrial relations values and strategies between management, collectives and employees has been evolved over time, resulting in harmonious industrial relations climate. There are 23 recognised unions in the Corporation representing workmen while the IndianOil Officers' Association (IOOA) represents the executives. The pay revision and allowances of officers are implemented as per the Department of Public Enterprises (DPE) guidelines received under Presidential Directives. The major demands of the recognised unions pertaining to revision of wages and allowances are negotiated with all the recognised unions at the divisional level and are settled through a long term settlement.



## Workforce Diversity and Opportunities

Our approach to workforce is based on the fundamentals of fostering diversity by offering equal opportunity to all employees without any discrimination. IndianOil does not engage into or support direct or indirect discrimination in recruitment, promotion, training and post retirement benefits based on caste, religion, disability, gender, age, race, colour, marital status, etc. All statutory provisions and policy guidelines are followed strictly, without any discrimination.

## Gender Mainstreaming

IndianOil continues to be the largest employer of women employees amongst the PSUs in India. As on 31<sup>st</sup> March 2011, there were 2637 women, employees comprising 7.73% of the total workforce. Out of this, 1209 (about 45.85%) of the women employees are in the executive cadre at various levels. 97 women employees were recruited in the Corporation during the year 2010-11, which comprises 10.71% of recruitments in various cadres of the Corporation. Out of the 97 women employees recruited during the year 2010-11, 91 (93.81%) are in the executive cadre. IndianOil has conducive liberal policies to benefit its women employees :

135 days maternity leave

2 years child care leave, without pay, once in entire service

Leave without pay for a period of 3 years during the entire service

## Inclusiveness and Affirmative Action

For uplifting marginalised section of our society, i.e. SC, ST and OBCs, we strictly adhere to the various guidelines and directives issued by the Govt. of India as applicable to following activities :

- Reservation in Recruitment and Promotions
- Relaxations / concessions in Recruitment / Promotions.
- Pre-promotional inputs for Grade-VI to Grade-A promotions in Marketing Division.
- SC/ST Cell, Compliant Register, Liaison Officer
- Nomination for specific training courses.



## Inclusiveness and Affirmative Action for Physically Handicapped

We ensure that the policies and guidelines issued by the Govt. of India are implemented with respect to physically challenged people also. Our initiatives in fulfilment of this objective are as follows:

- Reservation in Recruitment and Promotions
- Relaxations / concessions in Recruitment / Promotions.
- Various allowances such as conveyance allowance, medical equipment
- Special training, special equipment aid.
- Greater ease in access.
- Choice for place of posting and department, to the extent possible

## Manpower Positioning and Succession Planning

Based on our business requirements and the need to provide as adequate and skilled solution for the same, we follow a systematic approach towards manpower







positioning. Accordingly, a manpower estimate is prepared based on the projections for meeting the requirements of a cycle of two years.

As part of our succession plan, we identify key positions and associated success factors of such key positions. Based on the performance on various parameters, we identify the potential and start grooming the employees as Future Leaders from an early stage of their career progression through multifarious assignments, postings and supplementing their functional and developmental skills through advance training courses.

### Social Security Benefits Scheme

For providing Social Security, following benefits are available to our employees:

- Contributory Provident Fund
- Gratuity
- Group Linked Insurance Scheme
- Rehabilitation Scheme
- Employees' Pension Scheme-1995
- Superannuation Benefit Fund Scheme
- Compensation on death or permanent total disablement

### Benefit Schemes for Employees

- Subsidised canteen facilities
- Housing facility
- Festival advance
- Leave Travel Concessions and Holiday Homes
- Long Service Awards
- Computer Advance for workmen
- Schools
- Rationalisation adjustment cum skill up-dation expenses
- Cable TV charges
- Transport facility
- House Building Advance
- Conveyance Advance
- Medical facilities
- Liberal leave for female employees
- Furniture Advance
- Sports / Club facilities
- Incentive scheme for higher education
- Conveyance running and maintenance expenses
- Children Education Assistance
- Protective clothing







*Human Rights*



## Human Rights

Our belief that all human beings are born free and equal in dignity and rights is reflected in the way we conduct our business that supports and respects the protection of human rights. We provide equality by prohibiting any distinction in the enjoyment of human rights on grounds such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Touching the daily lives of people, we believe that the right to social security as well as economic, social and cultural rights are indispensable to human dignity and free development of each individual's personality. We continue to develop an awareness of human rights and work every individual in society to uphold these universal values on the basis that responsibility tolls to every individual in security. We ensure that our entire supply chain, i.e. vendors, sub-vendors, transporters, contractors, business associates, dealers, distributors, etc. provide further strength to our efforts in upholding human rights and no discriminatory practice is followed in its any form.

We support universal human rights for our employees and in communities in which we operate. Our Refineries, Terminals, Bottling Plants Aviation Fuel Stations personel, etc. are manned by security, round the clock. Apart from street on physical fitness and periodic training on security measures as per threat perceptions, we provide training inputs behavioural aspects.



### Case Study: Cloudburst in Leh - IndianOil Response

On 6<sup>th</sup> August 2010, a cloudburst in Leh triggered massive destruction, caused by over 250 cm rainfall in an hour. Unprecedented floods and mudslides



swept away houses and all else that came in their way and claimed hundreds of lives. Buildings were razed, communication lines snapped and highways leading to Srinagar and Manali washed away. Much of the damage was caused because people built houses using mud bricks which keep the interior warm even in sub-zero temperatures. The once picturesque landscape had turned into a disaster zone, with tossed up vehicles lying scattered and mounds of silt and slush burying houses.

IndianOil responded to this natural calamity and extended relief to the victims by providing 50 pre-fabricated houses at a cost of ₹187.50 lakh.

### UN Global Compact Principles

IndianOil is one of the founder members of the Global Compact Society (India) and staunch supporter of the UN Global Compact principles.

### Gender Sensitivity Training

IndianOil undertakes various activities including gender sensitivity training that result in greater awareness of a problem's causes, its macro and micro linkages and the need for appropriate action on gender issues. A series of programmes such as workshops, talks by eminent women rights activists on gender sensitivity, prevention of sexual



harassment at workplace, etc. are organised in the Offices/ Units of IndianOil for the benefit of women employees.

## Forum of Women in Public Sector

With the intention of pursuing the objectives of the Directive Principles of State Policy, a Forum of Women in Public Sector (WIPS) was formed on 12<sup>th</sup> February 1990, under the aegis of Standing Conference of Public Enterprises (SCOPE). IndianOil, being the largest employer of women employees amongst Public Sector Enterprises, pioneered in establishing WIPS in its present form and the women employees of IndianOil led WIPS in the initial stages of its formation. During the last two decades IndianOil has actively supported WIPS in organising/ sponsoring various programmes for the welfare of the women employees.

In recognition of its efforts to support its women workforce, IndianOil was conferred the 'Best Enterprise Award for Women's Development' for the year 2010.

## Child Labour

The future of the nation is in the well-being of its children. So it becomes imperative for the health of a nation to protect its children from premature labour and ensure their mental, physical, educational and spiritual development.

IndianOil, as responsible corporate citizen, is committed to fight against the engagement of child labour. We ensure that no child labour is employed or permitted to work in any of our establishments. The minimum prescribed age for seeking employment in IndianOil is 18 years and we have very effective mechanisms to eliminate child labour in the jobs done. As per a special clause in the general terms and conditions of all our tenders, the bidders are required to submit a written declaration that they do not engage child labour. The clause further delineates that if any entity is found to have engaged child labour, the contract will be terminated forthwith. Our security staff and Access Control System at all locations provides support in effective implementation of child labour elimination initiatives.









# *Corporate Governance*





## Corporate Governance

IndianOil is diligently focused on maintaining the highest standards of Corporate Governance by ensuring transparency in all aspects of its operations. The ethical and efficient demeanour of the business affairs is the mainstay for value optimisation of our stakeholders. We continue to foster work environment that nurtures and nourishes integrity, transparency and accountability. IndianOil has also formulated a code of conduct for the Directors and senior management personnel of the Corporation.

### The Board of Directors

The Board of Directors of IndianOil consists of as optimum combination of Executive (Whole-time)

and Non-Executive (Part-time) Directors. Non-Executive (part-time) Independent Directors are persons with proven record in diverse areas such as Energy, Law, Academics, Finance, Marketing, Administration, etc. The strength of the Board of IndianOil was 16 Directors as on 1.03.11, comprising eight Executive (Whole-time) Functional Directors and eight Part-time Non-Executive Directors, out of which six are Independent Directors and two are Govt. Nominees Directors. The Company has requested the Govt. of India to induct the requisite number of Independent Directors as per the Listing Agreement.

#### Audit Committee

In compliance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee has been constituted.

#### Remuneration Committee

In compliance with the DPE guidelines, a Remuneration Committee has been constituted.

#### Shareholders'/Investors Grievance Committee

To examine the grievance of shareholders/investors and appropriate disposal of grievances.





## Other Committees of the Board

<b>Establishment Committee</b> Handles appointment & promotion to the posts of GM and above and Conduct, Discipline & Appeal Rules	<b>De-leasing Committee</b> To consider requests for de-leasing of Corporation-leased immovable properties	<b>Safety, Health and Environment Committee</b> To review compliance with safety systems, procedures, rules & regulations on safety, occupational health and environment protection
<b>Corporate Social Responsibility Committee</b> To monitor and administer CSR activities.	<b>Marketing Strategies Committee</b> To evolve the strategies on all matters relating to marketing activities of the Corporation including revival of Retail Outlet dealership.	<b>Oil Price Risk Management Committee</b> To approve the derivative transactions above US\$ 50 million on "Mark to Market Basis"

For implementing the Corporate Governance practices, IndianOil has a well-defined policy framework consisting, inter alia, of the following -

<b>Code of Conduct for Directors and Senior Management Personnel</b>	The Directors and Senior Management personnel have affirmed compliance with the Code of Conduct.
<b>Code of Conduct for prevention of insider trading</b>	No case of non-compliance by the Company and no penalties/strictures were enforced on the Company by Stock Exchange/SEBI or any other statutory authority.
<b>Integrity Pact to enhance transparency in business</b>	Enhancing transparency in its business transactions, contracts and procurement processes.
<b>Whistle Blower Policy</b>	The employees can report any violation of laws, rules, regulations or code of conduct by and of the employees, to the authority of Audit Committee.
<b>Conduct, Discipline and Appeal Rules</b>	Guidelines for Conduct, Discipline and Appeal rules are framed to govern and discipline of officers.



## Vigilance

We consistently fight against corruption in all its forms. As per the Conduct, Discipline and Appeal Rules and Certified Standing Orders, accepting bribe is a major misconduct.

In this direction, we carry out several activities such as promoting vigilance awareness, information sharing on the Central Vigilance Commission (CVC) rules/guidelines, conducting surprise quality and quantity checks of products in transit as well as sales points across the country, conducting system studies to bring out irregularities/inconsistencies, bringing transparency and economy in awarding and execution of contracts. Documents relating to various contracts and procurements are scrutinised, inspections of retail outlets, LPG distributorships and Kerosene Dealerships are carried out, specific complaints are investigated by the Vigilance Cell. Vigilance Department of the company is headed by the Chief Vigilance officer (CVO) who acts as a link between the corporation and Govt. CBI, CVC, etc.



### Transparency International

The Corporation has entered into a Memorandum of Understanding with Transparency International India (TII), for implementing an Integrity Pact Programme focussed on enhancing transparency in its business transactions, contracts and procurement processes. IndianOil believes in total transparency, integrity and accountability in its functioning. We value our business relationships with the numerous domestic & international contractors and vendors of goods & services and are committed to dealing with them in a fair and transparent manner by maintaining the highest ethical standards in transactions with them.

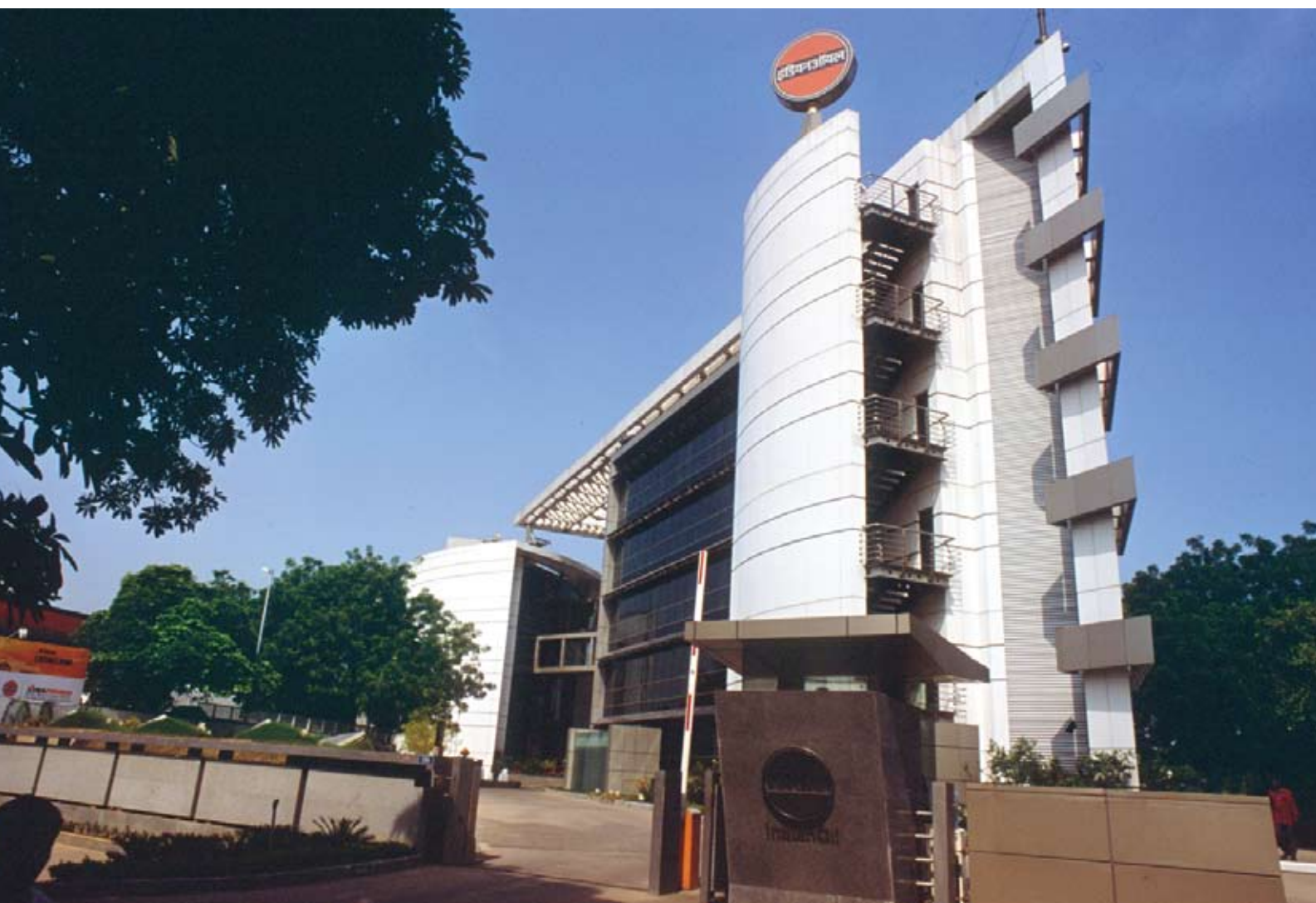
### Public Policy Participation

In association with various national and professional bodies, we actively participate and firm up opinions on industry related issues which have significant impact on public policies. References from different ministries of the Government are attended to with in-depth analysis.

### Competition Issues & Precautionary Approach

Uninterrupted and adequate supply of petroleum products and natural gas across the country is ensured by the Petroleum and Natural Gas Regulatory Board through its various regulations. The Board also enforces the provisions of retail service obligations for the retail outlets and marketing service obligations for the players in the downstream oil and gas sector. Accordingly, our all operations fall under the jurisdiction of the Regulatory Board/Ministry of Petroleum.

The significant precautionary approach/initiatives taken by IndianOil are - minimise debilitating continuance of under-recoveries on sale of products, Optimise crude basket for improvement of return from capital employed, thrust on standard operating procedures to ensure safety of lives and property, innovative HR policies, aggressive participation in rural market, thrust on CSR for inclusive growth and thrust to develop renewable energy assets.







*Stakeholder Engagement*





## Stakeholder Engagement

IndianOil's business operations are spread over the geographical span of the country and hence, we cater to wide ranging and diverse stakeholder groups. IndianOil is committed to constantly strengthening the process of engagement with stakeholders in its efforts to streamline the issues of mutual concern.

The major stakeholder groups for IndianOil are its Shareholders, Customers, Employees, Government Bodies/ Departments, Financial Institutions, Subsidiaries, Joint Ventures, Dealers / Distributors and academic institutes.

The Shareholders / Investors Grievance Committee (SIGC) of Directors handles the complaints received from the shareholders. Besides publishing the quarterly, half-yearly and annual results of the Corporation in leading newspapers in India, the results are also available on the Corporation's website <http://www.iocl.com>. Presentations made to the Institutional investors / analysts are also available on IndianOil's website. Investor Service Cell operate from the registered office at Mumbai and Corporate Office at New Delhi to address the grievances / queries of shareholders. To enhance greater ease in raising queries or submission of grievances by the investors, we have a dedicated e-mail ID: [investors@indianoil.co.in](mailto:investors@indianoil.co.in)

Customer engagement is an essential activity for product branding. We maintain continuous dialogue and open channel communication with our customers.

For direct and high-volume customers such as the Railways, State Transport Undertakings, steel plants, fertilizer plants, textile mills and power plants, we organise seminars, workshops, co-ordination meetings and training to resolve the issues of mutual concern.

IndianOil is the sole canalising agent for product supplies to Nepal and Bhutan. We have a keen customer focus and a formidable network of customer touch-points 19,463 petrol and diesel stations, including 3517 Kisan Seva Kendras (KSKs) dotting the landscape across urban and rural India. With a countrywide network of 36,900 sales points, backed for supplies by 140 bulk storage terminals and depots, 96 aviation fuel stations and 89 LPGas bottling plants, IndianOil services every nook and corner of the country. Indane is present in 2764 markets through a network of 5456 distributors. About 7780 bulk consumer pumps are also in operation for the convenience of large consumers, ensuring products and inventory at their doorstep.

Channel Partners are engaged through structured meetings, Dealer/Distributor Conventions, Gold Circle Dealer Conventions, KSK Conventions, Indane Star Distributor Conventions at the State office level. Chairman's Panel comprising high performing dealers and distributors at the national level is an important forum for interaction between our resellers and the top management.

As part of our efforts to identify various engagement drivers, we have carried out employee engagement survey



*We achieve... We care...*

**We lead... We share**

## IndianOil Day

1<sup>st</sup> September 2011



IndianOil, a transnational energy company, is the highest ranked Indian company, at the 98<sup>th</sup> position in the prestigious *Fortune* 'Global 500' list. For over five decades, IndianOil has remained a leader due to the patronage of over a billion Indians.

At the heart of IndianOil is technology that makes a difference to customers everyday. Evolving new perspectives, inspiring path breaking initiatives, serving people across the nation and contributing to society through dedicated Corporate Social Responsibility activities, IndianOil always strives to bring a smile of pride and self-esteem to every Indian.

Today, as we celebrate **IndianOil Day**, we reiterate our commitment of **'Bringing Energy to Life'**.



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Last date for submitting application forms is 15<sup>th</sup> September, 2011

Adv. on IndianOil Day

covering the entire workforce of about 34,000. Based on the outcome of the survey, we have taken various initiatives. Our locations conduct structured periodic staff meetings and discuss various issues. Display of monthly Bulletin on location's / employee achievements, display of notices, Bulletins, posters and messages from Chairman, Directors of the Company, birthday greetings to employees and information sharing through e-magazine Xpress News and a well-structured internal communications portal (IndianOilXpress), celebration of national events, farewell functions for superannuating employees, etc. are our important initiatives under employee engagement programmes.

Dissemination of important information on corporate financial and operational performance, achievement of significant milestones, future plans, new steps, challenges being faced and those ahead, expectations of collectives in achieving the goals etc. is done through open house sessions with Chairman and Directors. The progress of meeting is webcast for wider dissemination among the employees.

We constantly remain engaged with business partners viz. various industry bodies, Govt. bodies, organisations, academic institutions, local communities, charitable trusts on issues of mutual interest.

Business Partners	Relationship Requirements	Engagement Level
Government & Regulatory authorities	Policy issues, compliance, product pricing, MoU targets, Performance Review meetings	Corporate, Head Office, Regional Office, State Office, Unit level
Subsidiaries/Joint Ventures	Synergy in operations	Corporate level
Vendor/Supplier	Operational matters	Head Office, Regional Office, State Office, Unit level
Business Analysts	Competitive reports, Industry trends	Corporate & Head Office level
Academic Institutions	Operational Synergy	Corporate & Head Office level
Lenders including Institutional Investors, Retail Investors, Banks & Financial Institutions	Investment, Business Plans, Sustainability Performance	Corporate level
Media	Annual Reports, Business plan, events	Corporate level







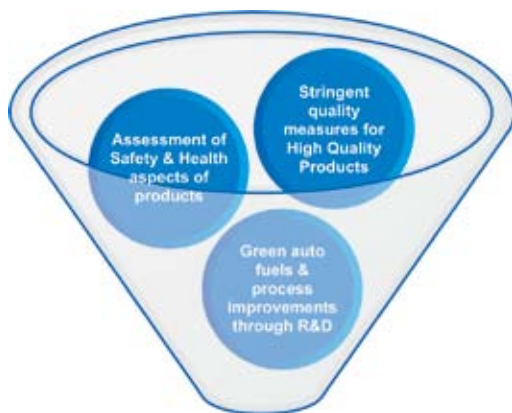


*Product Responsibility*



## Product Responsibility

With a steady aim of maintaining its position as a market leader and providing the best quality products and services, IndianOil is currently investing ₹ 47,000 crore in a host of projects for augmentation of refining and pipelines capacities, expansion of marketing infrastructure and product quality up-gradation. IndianOil, constantly strives to meet the aspiration of its customers for high quality products in terms of better ignition performance, improved mileage, eco-friendly storage characteristics, post ignition lower carbon emitter and, more importantly, low price band. The economic, social



and environmental aspects of our entire range of products are fully evaluated in strict adherence to all applicable standards, statutory and regulatory norms. IndianOil constantly endeavours to minimizing the risks associated with all the four major stages of product handling i.e. manufacturing, storage, distribution and usages. BIS standards provide quality control specifications for all products. The Industry Quality Control Manual (IQCM), which is evolved jointly by PSU oil industry and approved by MOP&NG, Govt. of India, provides fundamental guidelines for quality control. Our industrial cryogenic containers-Cryocans which are used for storage and transportation of liquid gases and other applications meet relevant specification.

The raw material used for site mixed bulk explosives are passed through stringent quality control. These bulk explosives are used for quarrying coal, zinc, copper mines.

### Research and Development

For nearly four decades, our world class R&D Centre has ably supported the corporation's technology initiatives and business strategies, giving it a unique competitive advantage in building the country's largest refining capacity, pipeline network, marketing infrastructure and diversified portfolio of products, brands and service. It has pioneered various technology





for refining process, pipeline transportation, Lube formulations, product quality up-gradation, bio-fuels, nano technology etc. IndianOil is among the elite six technology providers world wide for marine oils, fulfilling 90% of the global OEM requirements. Work has been initiated towards formulating Eco-friendly industrial lubes, Euro-V and VI compliant engine oils. Our R&D centre has 54 pilot plants, 73 research & technology partners, 229 effective patents and a team of 244 scientists.



In recognition of the invaluable contribution to the hydrocarbon industry, IndianOil has been conferred the "Outstanding Achievement in Research & Development" Award for INDMAX Technology by the CHEMTECH Foundation, in the year 2010.

## Customer Satisfaction Survey & Feedback

Customer satisfaction is a vital element of our business strategy and a key performance indicator of our business success. Customer satisfaction is captured through various surveys / personal interactions, the findings of which are analyzed to ensure that our product and service meet the quality standards. A system of receiving customer feedback/ complaint is in place which is used as an important tool for continuous improvement. Delivering highest level of customer satisfaction is our documented



assurance towards our tradition of being a well-known company for customer care. We conduct all India 'Customer Satisfaction Survey' on an annual basis covering all major aspects of our products and services i.e. Quality, Value, Timeliness, Efficiency, Ease of Access, Environment, Response, Front line Service Behaviors, Commitment to the Customer and Innovation etc. The outcome of survey is analyzed and used for overall improvement in product and service quality.

## Marketing communication

In IndianOil, marketing communication is the most effective tool for transforming customer service into customer relations. Accuracy and clarity are the essentials of our communications. IndianOil has a strong and dedicated network of Corporate Communication group. Through our marketing communication initiatives, we focus on products and services related service and safety orientation of the products, demand management, selection of dealers/ distributors, details of operations of Customer Service Cells in different regions, branding of products and services, legal issues for public domain.



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8 **MARUTI RITZ**  
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# Making a difference



## Charters & Memberships

Our association with various professional organisations, institutes has been enriching us. An illustrative list of such memberships is given below.

- Council of Indian Employers (CIE), India
- World LPGas Association, Paris
- Standing Conference of Public Enterprises (SCOPE), India
- Indian Institute of Industrial Engineering
- ASSOCHAM & FICCI
- The Institute of Chartered Accountants of India (ICAI)
- All India Management Association (AIMA)
- Petroleum Federation of India (PetroFed), India
- National HRD Network (NHRDN)
- Confederation of Indian Industry (CII)
- The Energy and Resources Institute (TERI)
- Petrotech Society
- Academic Institutes

## Distinctions, Award & Recognitions

- IndianOil broke into the Top 100 and was listed at the 98<sup>th</sup> position in the *Fortune* 'Global 500' listing of the world's largest corporations for 2011.
- IndianOil was ranked among the Top 50 companies to work for in India in a study conducted by the Economic Times and the Great places to Work Institute in the annual survey - 'India's Best Companies to Work For'. The Corporation was also voted one of the best employers in the Indian workplace in the tenth annual edition of the 'Best Companies to Work For' survey conducted by the Business Today magazine.
- IndianOil was voted as one of the top five of 'India's Most Valuable Brands 2010' in a study conducted by Economic Times in association with Brand Finance.
- IndianOil made it to list of top Global 500 Brands compiled by Brand Finance for the year 2011. Listed at the 232<sup>nd</sup> position worldwide, the Corporation's brand value in the year 2011 was pegged at \$4.3 billion as compared to \$4.0 billion in the previous year.
- IndianOil figured in the top ten in global recognition rankings, compiled by Penn Schoen Berland (PSB) in its 'Most Recognised and Respected Indian Multinationals' survey. IndianOil was ranked at the eighth position.
- IndianOil showed exemplary performance in the annual corporate listings of leading business publications such as Business world (BW Real500), Business Today (BT500 PSU Ranking), Business India (Business India Super 100), Economic Times (ET500) and Business Standard (BS1000).
- IndianOil got an overall rank of 78 in Platts Top 250 Global Energy Company rankings.
- IndianOil featured in the list of the Forbes 'Global 2000' at the 243<sup>rd</sup> position, for the year 2011.
- For the fifth consecutive year, IndianOil was conferred the coveted Reader's Digest 'Trusted Brand 2011' Gold Award under the Petrol Station category.
- IndianOil bagged awards in six categories instituted by the Petroleum Federation of India (Petrofed) for the year 2010.
- IndianOil won the Prestigious SCOPE Meritorious Award 2009-10 for Best Practices in Human Resource Management.
- IndianOil was conferred the 'Outstanding Achievement in Research & Development' Award for INDMAX Technology by the CHEMTECH Foundation.
- IndianOil won the 'Customer & Brand Loyalty Award' in the oil and gas sector for the fourth year in a row at the Loyalty Summit instituted by Kamikaze B2B Media.
- IndianOil bagged the prestigious National Award for Innovative Training Practices 2009-10 instituted by Indian Society of Training and Development (ISTD).
- SERVO - IndianOil's brand of world-class lubricants - was conferred the Master Brand Award by CMO Asia.
- For the fourth time, IndianOil won the 'SAP ACE Award' for being India's Best Run Business in public Sector on SAP Software.
- IndianOil's farmer friendly Agrospray oil won the prestigious CSIR award for Science & Technology innovations for Rural Development (CAIRD).
- For the fourth consecutive year, IndianOil was honoured with the 'Retail Excellence' award for innovative and successful Kisan Seva Kendras under its rural retail initiative at the India Retail Forum.
- IndianOil was chosen as the Best Service Brand in the India Pride awards.
- IndianOil won the Oil & Gas manufacturing Supply Chain Excellence Award at the fourth Express, Logistics & Supply Chain Conclave.
- IndianOil was awarded the prestigious National Safety Award, under various categories, by the Ministry of Labour, Government of India, for several installations.
- IndianOil was conferred with the Asia's Best Employer Brand Award-2010 in recognition of its continuous endeavour to build a strong employer brand to attract and retain the best talent.





## List of Abbreviations and Acronyms

Term	Description
AFS	Aviation Fuel Station
ASSOCHAM	Associated Chambers of Commerce and Industry
CIE	Council of Indian Employers
CII	Confederation of Indian Industry
CISF	Central Industrial Security Force
CSR	Corporate Social Responsibility
CVC	Central Vigilance Commission
DPE	Department of Public Enterprises
E & P	Exploration and Production
EBP	Ethanol-blended Petrol
ERM	Enterprise Risk Management
ETP	Effluent Treatment Plants
FCC	Fluidised Catalytic Cracker
GCC	General Conditions of Contract
GRI	Global Reporting Initiatives
GRM	Gross Refining Margin
IIPM	IndianOil Institute of Petroleum Management, Gurgaon
IMA	IndianOil Management Academy, Haldia
IMCL	IndianOil Management Centre for Learning, Mumbai
IndianOil	Indian Oil Corporation Ltd.
ITI	Industrial Training Institute
KSK	Kisan Seva Kendra
LAB	Linear Alkyl Benzene
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTC	Leave Travel Concessions
LTS	Long Term Settlement
MINAS	Minimal National Standard set by Ministry of Environment & Forests and Central Pollution Control Board for use of water resources and quality of effluent discharge
MoP&NG	Ministry of Petroleum and Natural Gas
MoU	Memorandum of Understanding
NELP	New Exploration Licensing Policy
NGO	Non Governmental Organisations
NHRD	National Human Resource Development Network
NREL	National Renewable Energy Laboratory
PetroFed	Petroleum Federation of India
PTA	Purified Terephthalic Acid
R & D	Research and Development
RO	Retail Outlets
S,H&E	Safety, Health & Environment
SC / ST / OBC	Scheduled Caste / Scheduled Tribe / Other Backward Classes
SCOPE	Standing Conference of Public Enterprises
SCP	Special Component Plan
SIGC	Shareholders' / Investors Grievance Committee
STEPS	Sustainable Transportation Energy Pathways Program
TBL	Triple Bottom Line
TERI	The Energy and Resources Institute
TII	Transparency International India
TPM	Total Productive Maintenance
TSP	Tribal Sub-Plan
WIPS	Forum of Women In Public Sector

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	EN3	Direct energy consumption by primary energy source	Energy Sourcing & Consumption (Table)	19
	EN4	Indirect energy consumption by primary source	Energy Sourcing & Consumption (Table)	19
	EN5	Energy saved due to conservation and efficiency improvements	Power Consumption (Table)	19
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Energy Reduction-key enabler to Sustainable growth	18
	EN7	Initiatives to reduce indirect energy consumption and reduction achieved	Energy Reduction-key enabler to Sustainable growth	18
	EN8	Total water withdrawal by source	Water Consumption and Conservation	24
	EN9	Water sources significant affected by withdrawal of water	Water Consumption and Conservation	24
	EN10	Percentage and total volume of water recycled and reused	Water Conservation	24
	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Development of green belts and Eco parks	22
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Development of green belts and Eco parks	22
	EN13	Habitats protected or restored	Development of green belts and Eco parks	22
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Environmental Aspects-Integrated approach for resource conservation	18
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-	-
	EN16	Total direct and indirect greenhouse gas emission by weight	Carbon Management Drives/Emission & waste control	19/ 22
	EN17	Other relevant indirect greenhouse gas emission by weight	Carbon Management Drives/Emission & waste control	19/ 22
	EN18	Initiatives to reduce greenhouse gas emission and reductions achieved	Carbon Management Drives/Emission & waste control	19/ 22
	EN19	Emission of ozone-depleting substances by weight	Emission & waste control	22
	EN20	NO, SO, and significant air emission by type and weight	Emission & waste control SO <sub>2</sub> emission from refineries	22
	EN21	Total water discharge by quality and destination	Water Consumption & Conservation	22

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	EN22	Total weight of waste by type and disposal method	Emission & waste control	22
	EN23	Total number and volume of significant spills.	Oil Spill Response facilities	22
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I,II,III & IV, and percentage of transported waste shipped internationally.	Emission & waste control	22
	EN 25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Effluent Management	21
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Water Conservation/Effluent Management	24/ 21
	EN 27	Percentage of products sold and their packaging materials that are reclaimed by category	Product Responsibility	46
	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Safety	
	EN29	Significant environmental impact of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Product Responsibility	46
	EN30	Total environmental protection expenditures and investments by type.	Product Responsibility	46
<b>Labour Practices and Decent Work Performance Indicators</b>	LA1	Total workforce by employment type, employment contract, and region.	Stakeholder Engagement	42
	LA2	Total number and rate of employee turnover by age group, gender, and region	Workforce diversity & opportunities	31
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Social Security Benefits scheme	32
	LA4	Percentage of employees covered by collective bargaining agreements	Collective Bargaining	30
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Collective Bargaining	30
	LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs	Safety & health	23
	LA7	Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region	Safety & health	23
	LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Safety & health	23
	LA9	Health and safety topics covered in formal agreements with trade unions.	Safety & health	23
	LA10	Average hours of training per year per employee by employee category	Training & Development	30
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training & Development	30
	LA12	Percentage of employees receiving regular performance and career development reviews	Training & Development	30
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group members, and other indicators of diversity	Workforce Diversity & Opportunities	31



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	LA14	Ratio of basic salary of men to women by employee category.	Recruitment, Induction & On-boarding	30
<b>Human Rights Performance Indicators</b>	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Human Rights	34
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and action taken.	Human Rights	34
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Human Rights	34
	HR4	Total number of incidents of discrimination and actions taken	Human Rights	34
	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and action taken to support these rights.	Human Rights	34
	HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Child Labour	35
	HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Child Labour	35
	HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Human Rights	34
	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable	–
<b>Society Performance indicators</b>	SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Social Aspects - Nurturing symbiotic relations with community	26
	SO2	Percentage and total of business units analyzed for risk related to corruption.	Vigilance	40
	SO3	Percentage and employee trained in organisation's anti-corruption policies and procedures.	Vigilance	40
	SO4	Action taken in response to incidents of corruption.	Vigilance	40
	SO5	Public policy positions and participation in public policy development and lobbying.	Public policy participation	
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Public policy participation	40
	SO7	Total number of legal actions for anticompetitive behaviour, ant-trust, and monopoly practices and their outcomes.	Competition Issues	40
	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Competition Issues	40
<b>Product Responsibility Performance Indicators</b>	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Product Responsibility	46
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Product Responsibility	46



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	PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	Product Responsibility	46
	PR4 Total number of incidents of non-compliance with regulations voluntary codes concerning product and service information and labelling, by type of outcomes.	Product Responsibility	46
	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Customer Satisfaction Survey & Feedback	47
	PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communication, including advertising, promotion, and sponsorship by type of outcomes	Marketing Communication	47
	PR7 Total number of incidents of non-compliance with regulations voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Marketing Communication	47
	PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses customer data.	Customer Satisfaction/Survey & Feedback	47
	PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Product Responsibility	46



## Sustainability Quotes

**"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has."**

– Margaret Mead

*"To waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified. . ."*

– Theodore Roosevelt

*"You can never have an impact on society if you have not changed yourself."*

– Nelson Mandela

*"I change myself, I change the world."*

– Gloria Anzaldua

*"Finding the center of strength within ourselves is in the long run the best contribution we can make to our fellow men."*

– Rollo May

*"It's not too late at all. You just don't yet know what you are capable of."*

– Mahatma Gandhi

*"Do you have the patience to wait till your mud settles and the water is clear? Can you remain unmoving till the right action arises by itself?"*

– Lao-Tzu

*"Persistence and determination alone are omnipotent."*

– Calvin Coolidge

*"Trust one who has tried it, you will find more in woods than in books; trees and stones will teach you what you can never learn from masters."*

– Saint Bernard de Clairvaux

*"One should pay attention to even the smallest crawling creature for these too may have a valuable lesson to teach us."*

– Black Elk

## Green World Quotes

*"We all moan and groan about the loss of the quality of life through the destruction of our ecology, and yet every one of us, in our own little comfortable ways, contributes daily to that destruction. It's time now to awaken in each one of us the respect and attention our beloved Mother deserves."*

– Ed Asner, Actor

*What's the use of a house if you haven't got a tolerable planet to put it on?"*

– Henry David Thoreau

*"I go to nature every day for inspiration in the day's work. I follow in building the principles which nature has used in its domain."*

– Frank Lloyd Wright

*"One touch of nature makes the whole world kin."*

– Shakespeare

*"When you plant a tree, never plant only one. Plant three — one for shade, one for fruit, one for beauty."*

– African proverb

*"When one tugs at a single thing in nature, he finds it attached to the rest of the world."*

– John Muir

*"Sooner or later, we sit down to a banquet of consequences."*

– Robert Louis Stevenson

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